

Money Laundering Conspiracy

5. As part of the money laundering conspiracy, LEAK and other coconspirators conducted and caused to be conducted financial transactions to transfer money from Nature's Reflections to Hot Shots. At least part of that money represented proceeds derived from the Nature's Reflections kickback scheme to which LEAK has pleaded guilty.

6. LEAK knew the money transferred from Nature's Reflections to Hot Shots was derived at least in part from unlawful activity, and he engaged and caused others to engage in those financial transactions with the intent to promote the carrying on of specified unlawful activity.

7. The specified unlawful activity that LEAK conspired to promote involved the bribery of collegiate athletes, who were governed by rules and regulations promulgated by, among others, the National Collegiate Athletic Association (NCAA) and the student-athletes' respective schools. These student-athletes had all received athletic scholarships and other benefits from the athletes' respective schools.

8. On multiple occasions from 2012 through at least 2015, LEAK provided and caused to be provided things of value to student-athletes, and in at least one instance a student-athlete's family member, to influence those student-athletes to retain the services of Hot Shots and others affiliated with Hot Shots.

9. The bribes that LEAK provided, and caused to be provided, to student-athletes and their families in violation of various states laws and the rules and regulations of the NCAA and the student-athletes' respective schools, included shoes, clothes, transportation, gas, loans, food and entertainment, hotel rooms, the use of vehicles, and cash. On numerous occasions, LEAK engaged in, and caused others to engage in, financial transactions, including the wiring of payments via Western Union to student-athletes and the payment of United States currency to student-athletes.

10. As LEAK knew, these bribes constituted, at least in part, proceeds of the Nature's Reflections fraudulent kickback scheme to which LEAK has pleaded guilty.

11. As LEAK and his coconspirators knew, the payment of bribes to student-athletes exposed the student-athletes' schools to tangible economic harm, including, among other things, monetary fines, restrictions on athlete recruitment and the distribution of athletic scholarships, and the potential ineligibility of the schools to participate in various NCAA programs and tournaments. Further, by concealing the bribes from the NCAA and the respective schools, LEAK and his coconspirators deprived the respective schools from controlling their assets.

COUNT ONE

**18 U.S.C. § 1956(h)
(Conspiracy to Commit Promotional Money Laundering)**

12. The United States Attorney realleges and incorporates by reference herein all of the allegations contained in paragraphs one through eleven of this Bill of Information, and further alleges that:

13. From at least in or about 2012 through in or about 2015, in Mecklenburg County, within the Western District of North Carolina, and elsewhere, the defendant,

ERIC DEWAYNE LEAK

did knowingly combine, conspire, confederate and agree with others both known and unknown to the United States Attorney, to commit the offense of promotional money laundering, in violation of Title 18, United States Code, Section 1956(a)(1)(A)(i).

14. It was a part and an object of the conspiracy that LEAK and others known and unknown to the United States Attorney, knowing that property involved in a financial transaction represented the proceeds of some form of unlawful activity, and such property actually representing the proceeds of specified unlawful activity -- *to wit*, paying kickbacks under a federal health care program in violation of 42 U.S.C. § 1320(a)-7b(b)(2)(A) -- would and did knowingly conduct and attempt to conduct, and cause others to conduct, a financial transaction affecting interstate commerce, knowing that the financial transaction was designed in whole or part to promote the carrying on of specified unlawful activity -- *to wit* bribery in violation of various state laws, including North Carolina General Statute § 78C-98 -- all in violation of Title 18, United States Code, Section 1956(a)(1)(A)(i).

All in violation of Title 18, United States Code, Section 1956(h).

NOTICE OF FORFEITURE

Notice is hereby given of 18 U.S.C. § 982 and 28 U.S.C. § 2461(c). Under Section 2461(c), criminal forfeiture is applicable to any offenses for which forfeiture is authorized by any other statute, including but not limited to 18 U.S.C. § 981 and all specified unlawful activities listed or referenced in 18 U.S.C. § 1956(c)(7), which are incorporated as to proceeds by Section 981(a)(1)(C). The following property is subject to forfeiture in accordance with Section 982 and/or 2461(c):

- a. All property which constitutes or is derived from proceeds of the violation set forth in this bill of information;
- b. All property involved in such violation or traceable to property involved in such violation; and
- c. If, as set forth in 21 U.S.C. § 853(p), any property described in (a) or (b) cannot be located upon the exercise of due diligence, has been transferred or sold to, or deposited with, a third party, has been placed beyond the jurisdiction of the court, has been substantially diminished in value, or has been commingled with other property which cannot be divided without difficulty, all other property of the defendant to the extent of the value of the property described in (a) and (b).

R. ANDREW MURRAY
UNITED STATES ATTORNEY



DANIEL RYAN

ASSISTANT UNITED STATES ATTORNEY

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

UNITED STATES OF AMERICA)	DOCKET NO. 3:19-cr-00099-RJC-DCK
)	
v.)	FACTUAL BASIS
)	
ERIC DEWAYNE LEAK)	
)	

NOW COMES the United States of America, by and through R. Andrew Murray, United States Attorney for the Western District of North Carolina, and hereby files this Factual Basis in support of the plea agreement filed simultaneously in this matter.

This Factual Basis is filed pursuant to Local Criminal Rule 11.2 and does not attempt to set forth all of the facts known to the United States at this time. By their signatures below, the parties expressly agree that there is a factual basis for the guilty plea(s) that the defendant will tender pursuant to the plea agreement, and that the facts set forth in this Factual Basis are sufficient to establish all of the elements of the crime(s). The parties agree not to object to or otherwise contradict the facts set forth in this Factual Basis.

Upon acceptance of the plea, the United States will submit to the Probation Office a "Statement of Relevant Conduct" pursuant to Local Criminal Rule 32.4. The defendant may submit (but is not required to submit) a response to the Government's "Statement of Relevant Conduct" within seven days of its submission. The parties understand and agree that this Factual Basis does not necessarily represent all conduct relevant to sentencing. The parties agree that they have the right to object to facts set forth in the presentence report that are not contained in this Factual Basis. Either party may present to the Court additional relevant facts that do not contradict facts set forth in this Factual Basis.

1. On March 8, 2018, ERIC DEWAYNE LEAK pleaded guilty in the United States District Court for the Middle District of North Carolina (MDNC) in a criminal information to one count of paying kickbacks under a federal health care program in violation of 42 U.S.C. § 1320(a)-7b(b)(2)(A) and one count of money laundering under 18 U.S.C. § 1957(a) for his role in operating Nature's Reflections, LLC (Nature's Reflections) an enrolled provider of mental health services. Mr. Leak owned and operated Nature's Reflections, LLC from on or about early 2012 until the end of 2014. The amount of illegal kickbacks attributed to LEAK was \$420,115.

2. Also during this time period, LEAK owned and operated Hot Shots Sports Management, LLC (Hot Shots). Part of the services provided by Hot Shots Sports Management, LLC included transitioning student-athletes into the National Football League (NFL) and National Basketball Association (NBA).

3. LEAK knowingly and willfully conspired with others to commit promotional money laundering in violation of 18 U.S.C. § 1956(h) as set forth below.

4. As part of this conspiracy, LEAK and other coconspirators conducted and caused to be conducted financial transactions to transfer funds and monetary instruments from Nature's Reflections to Hot Shot Sports, said funds and monetary instruments representing proceeds derived at least in part from the specified unlawful activity to which LEAK and others pleaded guilty in the MDNC. LEAK knew the funds and monetary instruments transferred from Nature's Reflections to Hot Shots were derived at least in part from unlawful activity, and he engaged and caused others to engage in those financial transactions with the intent to promote the carrying on of specified unlawful activity.

5. The specified unlawful activity that LEAK conspired to promote involved the bribery of collegiate athletes, who were governed by rules and regulations promulgated by, among others, the National Collegiate Athletic Association (NCAA) and their respective schools. These student athletes had all received athletic scholarships and other benefits from their respective schools. Specifically, Mr. Leak on multiple occasions from 2012 through at least 2015 provided and caused to be provided things of value to student-athletes, and in at least one instance a student athlete's family member, to influence those student-athletes to retain the services of Hot Shots and others affiliated with Hot Shots.

6. The bribes that LEAK provided, and caused to be provided, to student-athletes and their families in violation of various states laws¹ and the rules and regulations of the NCAA and the student-athletes' respective schools, included shoes, clothes, transportation, gas, loans, food and entertainment, hotel rooms, the use of vehicles, and cash. On numerous occasions, LEAK engaged, and caused others to engage in, in financial transactions, including the sending of interstate wires via Western Union, of funds to student-athletes and the payment of United States currency to student-athletes.

7. As LEAK knew, these bribes constituted, at least in part, proceeds derived from the specified unlawful activity to which LEAK and other pleaded guilty in the MDNC.

8. The value of bribes involved in the conspiracy was at least \$75,000.

9. As LEAK and his coconspirators knew, the payment of bribes to student athletes exposed the student athletes' schools to tangible economic harm, including, among other things, monetary fines, restrictions on athlete recruitment and the distribution of athletic scholarships, and the potential ineligibility of the schools to participate in various NCAA programs and tournaments. Further, by concealing the bribes from the NCAA and the respective schools, LEAK and his coconspirators deprived the respective schools from controlling their assets.

¹ For example, North Carolina General Statute § 78C-98 makes it illegal to "furnish anything of value to a student-athlete before the student-athlete enters into the agency contract" or to "furnish anything of value to any individual other than the student-athlete or another registered athlete agent."

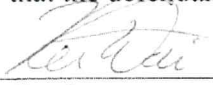
R. ANDREW MURRAY
UNITED STATES ATTORNEY



DANIEL RYAN
ASSISTANT UNITED STATES ATTORNEY

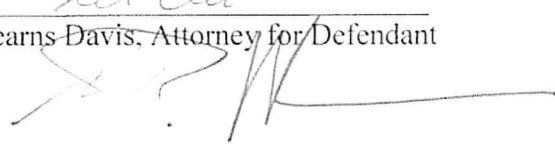
Defendant's Counsel's Signature and Acknowledgment

I have read this Factual Basis, the Bill of Information, and the plea agreement in this case, and have discussed them with the defendant. Based on those discussions, I am satisfied that the defendant understands the Factual Basis, the Bill of Information, and the plea agreement. I hereby certify that the defendant does not dispute this Factual Basis.



Kearns Davis, Attorney for Defendant

DATED: 3/15/19



Edwin West, Attorney for Defendant